

"AIDS can be prevented. Anti-retroviral drugs can extend life for many years. Ladies and gentlemen, seldom has history offered a greater opportunity to do so much for so many. We have confronted, and will continue to confront, HIV/AIDS in our own country."

**George W. Bush, President of the United States,
Annual State of the Union Address, January 28, 2003.**

"The increasing use and effectiveness of Highly Active Antiretroviral Therapies (HAART) have led to the decreasing incidence of (extremely costly) Opportunistic Infections (OIs) in persons with HIV infection. Yet, when OI prophylaxis or treatment is necessary, uninsured and underinsured individuals with HIV who rely on ADAPs (Ryan White AIDS Drug Assistance Programs) find coverage of these drugs varies considerably by state. Given their finite and variable resources, (however), ADAPs must make difficult decisions regarding program eligibility and drugs covered and, at times, may enact restrictions such as waiting lists, program caps, and limited access to some medications."

**National ADAP Monitoring Project, Issue Brief: Trend
in Opportunistic Infection Drug Coverage and
Spending, L. Chou, AIDS Treatment Data Network,
February 2003.**

"There has been a growing interest among the states insurance purchasing/maintenance programs, owing to the well-documented success of these programs in a number of states and the flexibility to use ADAP (Ryan White AIDS Drug Assistance Program) dollars for this purpose. A survey of state ADAPs conducted for the Henry J. Kaiser Family Foundation found that almost two-thirds of all ADAPs planned to utilize some portion of their ADAP funding for insurance programs. Considering the current level of integration insurance programs have at in state HIV health care systems, continued support of state flexibility to utilize ADAP dollars to help fund these cost-effective and cost-saving programs is essential."

**NASTAD Ryan White CARE Act Issue Profile, National
Association of State and Territorial AIDS Directors
(NASTAD) May 2000.**

EXECUTIVE SUMMARY

Since June 5, 1981, when the national Centers for Disease Control and Prevention (CDC) first issued its warnings about a relatively rare form of pneumonia among gay men in Los Angeles, federal and state governments have worked diligently over the intervening twenty years to address the devastation of what we now refer to as AIDS (Acquired Immuno-Deficiency Syndrome). In the summer of 1981, few could have imagined that by mid 2002 more than 450,000 Americans would have succumbed to this modern-day plague¹. Today, more than one million Americans are living with HIV infection or AIDS. Like these terrible and once unimaginable statistics, the reality of the present is that each year approximately 40,000 Americans become infected with HIV – one fourth of whom do not know they are infected. Indeed, after more than twenty years, the pandemic of HIV/AIDS has left a terrible legacy of suffering for Americans, and for the world.

Since the earliest beginnings of the HIV/AIDS epidemic, issues concerning adequate health insurance coverage and barrier-free access to specialized HIV/AIDS clinical care have been and remain a priority concern for most Americans living with HIV infection or AIDS.² For

these Americans, access to general health care, and in particular specialized care rendered by physicians experienced in treating HIV/AIDS is a vital and life-sustaining necessity. Because of the efficiency with which HIV/AIDS is known to destroy the human immune system, access to effective health care is a daily concern for those with HIV/AIDS, and those who care for them. For Americans with HIV/AIDS, the loss of health insurance coverage is not only an unfortunate fact; it is an extremely terrifying and life-threatening reality.

Florida's AICP -- A Leading Example of Innovation and Cost-Effectiveness

In 1994, the State of Florida's Legislature and Department of Health (DOH) made a substantial and sustained commitment to assisting state residents living with HIV/AIDS in the preservation of both their health insurance coverage and private-sector access to specialized care. The specific response to this commitment was the implementation of Florida's ***AIDS Insurance Continuation Program (AICP)*** on an expanded statewide basis. In 2002, Florida's AICP continues to be one of the most innovative public health programs in operation nationwide, continuing to cost-effectively purchase private-sector health care for low-income residents whose lives have been devastated by HIV/AIDS. In an era where state governments struggle with ever more challenging budget issues, Florida's AICP stands out as an example of how the public sector can find creative solutions to some of its most intractable problems. Today, Florida's AICP has validated its operational role as a health-care safety net for insured low-income residents living with HIV/AIDS, as well as, a programmatic alternative to the State's Medicaid Program and federally-funded AIDS Drug Assistance Program (ADAP).

Florida's AICP – Overview of Direct Savings Through Care Purchased

From its modest beginning in 1989 as a pilot program for Monroe and Broward Counties named the ***AIDS Insurance Demonstration Project (AIDP)***, Florida's expanded ***AIDS Insurance Continuation Program (AICP)*** has successfully preserved the health insurance coverage of more than 4,293 low-income state residents. In 2002 alone, Florida's AICP purchased, on behalf of 1,780 clients, more than \$29 million in private-sector health care services for a total program outlay of slightly more than \$4 million (Please refer to TABLE 1). Moreover, during 1995 to 2002, it is estimated that Florida's AICP has purchased almost \$189 million in health care for a total expenditure of approximately \$25 million.³ Over the 1995-2002 timeframe, Florida's AICP has returned an eight-year annualized average of more than \$9 in care purchased for each premium dollar expended. This is termed the Gross Value Added Ratio (GVAR) by Florida's AICP. The ***AICP 2002 Cost Benefit Analysis (CBA)*** demonstrates that a GVAR of \$6.79 in health care was obtained by Florida's AICP in return for each programmatic dollar expended.

TABLE 1

Trend View of Florida's AICP – Programmatic and Client Savings
Seven-Year Data Demonstrates Overall Savings

	<i>Program Outlays</i>	<i>Total Value Care Purchased</i>	<i>Gross Value Added Ratio (GVAR)</i>
1995	\$1,848,745	\$22,092,502	\$11.95
1996	\$2,203,764	\$22,103,752	\$10.03
1997	\$2,269,678	\$21,062,611	\$9.28
1998	\$2,852,633	\$25,296,593	\$8.87
1999	\$2,940,347	\$38,606,756	\$13.12
2000	\$3,797,961	\$33,004,281	\$8.69
2001	\$4,081,112	\$21,466,648	\$5.26
2002	\$4,081,112	\$29,721,215	\$6.71
Totals:	\$19,994,240	\$183,633,143	Average: \$9.60

Florida's AICP – Overview of Indirect Savings as Alternative to Medicaid

In 2002, Florida's AICP continues to demonstrate that the extension of premium payment assistance to low-income residents living with HIV/AIDS can preserve vital health care access and return substantial savings to the State's taxpayers. With considerable funding from the federal Ryan White CARE Act, Florida's AICP has assisted thousands of low-income Floridians with HIV/AIDS, who without such assistance, would have most likely dispensed with their private insurance and made the choice of financial impoverishment to qualify for Medicaid or Medicare benefits. The State of Florida's decade-long commitment to an innovative program like Florida's AICP, has proven that compassion and cost-effectiveness can be mutually achievable goals.

In addition to helping low-income state residents with HIV/AIDS, an important aspect of Florida's AICP is that it works to circumvent the shifting of potentially substantial HIV/AIDS care and treatment costs from the private to the public sector. For instance in Fiscal Year (FY) 2001-2002, the State of Florida's Medicaid Program expended almost \$368 million in the provision of health care for 17,370 low-income Floridians living with HIV/AIDS. In FY

Florida AICP Cost Fiscal Year 2001-2002 Effectiveness Comparison Florida AICP and Florida Medicaid Program Costs

	<u>AICP</u>	<u>Medicaid Program</u>
Average Monthly Cost Per Client/Beneficiary	\$291.05	\$1,986.95
Average Annual Cost Per Client/Beneficiary	\$3,492.60	\$23,843.40
NOTE: Florida Medicaid AIDS Patients Expenditures Report FY 2001-2002		

01-02, Medicaid's average monthly per-beneficiary cost for this population was \$1,986.95.⁴ However, during the same Fiscal Year, the average per-client monthly cost for Florida's AICP was only \$291.05. Therefore, the average annual Florida AICP per-client premium outlay of \$3,492.60 compares favorably with the average annual per-beneficiary outlay of \$23,843.40 for Florida's Medicaid Program.

By enrolling residents with HIV/AIDS who are eligible for Florida's Medicaid Program, the AICP also plays an important role in augmenting the State's already large financial contribution to the care and treatment of an array of chronic conditions, including HIV/AIDS. For instance, in December of calendar year 2002, approximately 832 (61.0%) of the AICP's active client population were immediately eligible for Medicaid based upon reported incomes at 150% or below the Federal Poverty Level (FPL). Assuming an average annual cost to Florida's Medicaid Program of \$23,843.40 per beneficiary with HIV/AIDS, in calendar year 2001 alone the operation of Florida's AICP potentially saved the State's Medicaid Program almost \$20 million in additional expenditures for HIV/AIDS health care and services.

In calendar year 2002, as in 2001, state-administered Medicaid programs across the nation constituted the largest payer of public health care assistance for Americans living with HIV/AIDS, paying for more than 50.0% of the total care for all adults/adolescents and 90.0% for all children.⁵ The total federal share of aggregate Medicaid costs for HIV/AIDS care in Fiscal Year 2003-2004 is estimated to be approximately \$5 billion nationally, with in excess of \$2 billion for HIV/AIDS care to be expended by the Medicare Program. Although current statewide HIV/AIDS cost data for Florida's Medicaid Program is unavailable, it is documented that in FY 99-00 the program expended more than \$399 million for 16,705 beneficiaries⁶. As of December 2002, Florida's Medicaid Program served 17,370 state residents living with HIV/AIDS for a total cost of \$367,733,321.99.⁷

Florida's AICP – Overview of Indirect Savings as Alternative to ADAP

For insured low-income Floridians and families who do not immediately qualify for Florida's Medicaid Program, and yet must receive Highly Active Anti-retroviral Therapy (HAART) pharmaceutical regimens, Florida's AICP provides a cost-effective alternative to Florida's AIDS Drug Assistance Program (ADAP). With regard to the insured low-income residents of the State with HIV/AIDS, Florida's AICP serves to redirect demand away from Florida's ADAP, so that finite State and Federal dollars allocated to that program can be best utilized for individuals who possess the least number of options for care. By providing incentives for low-income residents with HIV/AIDS to retain their health insurance, Florida's AICP is working to limit in Florida the national trend of individuals gravitating to the public sector as they become sicker.⁷ Therefore, Florida's AICP operates at a systems level to assist both Florida's ADAP and the Medicaid Program in preserving, to the maximum degree possible, an effective and continued access to vital HIV/AIDS care and treatment for a population of Floridians with varying health needs, incomes and resources.

The complimentary role that Florida's AICP serves to the State's ADAP is also relevant to reducing the public-sector's share of HIV/AIDS medication costs. With the national annual cost range of HAART calculated to be between \$12,000.00 to \$15,000.00 per annum, the fact that approximately 69.0% (1,228) of active AICP clients in 2002 obtained 100% of their

HIV/AIDS medications exclusively through private insurance constitutes a significant redirection of costs away from the public sector.⁸ If that same group of 1,228 clients was uninsured and not immediately eligible for Florida's Medicaid Program, it is likely that the majority would have applied to Florida's ADAP. Assuming an annual mean HAART cost of \$13,500.00, this sample population would have obligated that program to more than \$16 million in additional HIV/AIDS pharmaceutical expenditures.

It is important to be aware regarding the successful treatment of HIV/AIDS, that the quality of outcomes and the extent of resources consumed are highly dependent on the appropriateness, timeliness and continuity of the clinical care received. For the majority of Americans living with HIV/AIDS quality health-care access can often make the difference between disability due to a compromised immune system and good health sufficient to leading a full life. In fact, for many Americans living with HIV/AIDS, improved health outcomes translate into reduced aggregate health-care costs and the likelihood of avoiding the 80.0% of lifetime costs commonly associated with advanced stages of AIDS disease.⁹ In the mid 1990s, such advanced-stage HIV/AIDS care costs were nationally estimated to be approximately \$65,000 per patient.¹⁰ Thus, the quality access to HIV/AIDS care that Florida's AICP preserves for its clients, can be presumed to work over time to maximize the outcomes of appropriate clinical care and reduce the need for extremely costly health-care interventions.

Florida's AICP -- Promoting Health Care Access and Reduced Care Costs

Ensuring that those enrolled in Florida's AICP have continuous access to physicians in the private sector experienced in treating HIV/AIDS increases the probability of maintaining optimum long-term health with comparatively modest demands on the system's health care resources. Thus, the cost-effectiveness demonstrated by Florida's AICP may not be limited to the premium programmatic savings discussed earlier, but may also entail long-term cost-savings inherent to healthier program clients. By ensuring early access to appropriate and specialized HAART pharmaceutical regimens, in addition to comprehensive inpatient and outpatient health care services, Florida is effectively working to promote optimal health outcomes for its low-income clients living with HIV/AIDS.

AICP client response data from the *AICP 2002 Client Survey* have consistently substantiated the belief that many of the program clients participating in the Florida's AICP have experienced improvements in their personal health (91.2%) as a direct contribution of enrollment in the program. This beneficial client observation has been consistently reflected in all prior annual AICP satisfaction and utilization surveys conducted within the 1998 to 2002 timeframe. As equally important to improving client health, is the program's success in enhancing client access to care and treatment. When responding to the *AICP 2002 Client Survey*, clients have uniformly and consistently expressed their belief that participation in Florida's AICP has resulted in a perceptible enhancement of quality as it relates to: (a) access to physicians, especially those experienced in treating HIV/AIDS (82.8%); (b) access to specialized HIV/AIDS pharmaceutical regimens (87.2%), and; (c) access to essential HIV/AIDS care and treatment services (85.6%).

Florida's AICP – Overview of Client Trend of Returning to the Workforce

Of particular interest is a sustained positive trend evident in the voluntary disenrollment of active AICP clients. For example, in 2002, 425 clients were disenrolled from Florida's AICP for all causes. However, of that group, 48.7% (207) voluntarily disenrolled in order to return to employment is considered to be significant (Please refer to TABLE 3). The active AICP clients returning to work in 2001 was not exceptional to that year. The occurrence of this trend has been strongly evident throughout the 1998-2002 timeframe, with a five-year average of 36.5% of clients disenrolling per annum to return to work. This trend is even more noteworthy when it is recalled that 53.2% (726) of AICP clients served in 2002 possessed a diagnosis of AIDS, with the remaining 46.8% (638) possessing federally-defined symptomatic HIV infection.

Response data from the **AICP 2002 Client Survey** and those from prior-years demonstrate that AICP clients are maximizing their maintained access to private-sector health care to improve the quality of their health. In conjunction with other system-level benefits, the fact that many AICP clients are taking charge of their health with some returning to work, suggests an additional dimension of savings to the State of Florida. It may be reasonable to propose that the access to care maintained by Florida's AICP, not only prompts many AICP clients to take full advantage of their ability to seek regular medical care from health care professionals experienced in treating HIV/AIDS, but promotes a higher quality of adherence to HAART pharmaceutical regimens over time. However, it must be noted, that while data suggest that AICP clients may be getting healthier as a distinct cohort in the larger population of state residents living with HIV/AIDS – investigative access to a broadly comparable cross-population of Floridians living with HIV/AIDS does not yet exist.

Florida's AICP – Sustaining the Commitment to High-Quality Performance

Florida's AICP remains committed to preserving not only the private health insurance of eligible residents with HIV/AIDS but also the program's outstanding legacy of service to the State of Florida and its taxpayers. Today, Florida's AICP is nationally recognized for its overall efficiency in statewide administration, comprehensiveness of benefits and devotion to the enhancement of equity-access for underserved groups through marketing. During 2000, in response to a request by the State of Alabama's Department of Health, Florida's AICP collaborated closely with that agency in order to establish a statewide insurance continuation program similar in design to Florida's model. Florida's AICP has and continues to collaborate informally in addressing shared issues with public insurance-continuation programs operating in the States of California, New Jersey and New York.

Since the statewide implementation of Florida's AICP in mid 1994, the program has established a reputation for administrative efficiency in collaboration with the seventeen affiliated AIDS Services Organization (ASOs) who participate as AICP enrollment sites (i.e. AICP Network CBOs). In particular, client satisfaction with Florida's AICP has remained consistently in the ninetieth percentile as documented through the program's client satisfaction surveys performed annually from 1995 to the present. The annual **AICP 2002 Client Survey** indicated that 91.0% of clients rated AICP as either "Excellent," or "Very Good." In 2001, an identical 91.0% of clients polled indicated the same high level of

satisfaction with the quality of AICP services as managed through the program's fiscal administrator, the Health Council of South Florida (HCSF) and the sixteen contractually-designated community-based AICP Network CBOs situated throughout Florida.

Florida's AICP – Review of Program Role and Benefits

Public-sector HIV/AIDS health insurance continuation programs like Florida's AICP and the some 35 others nationwide, help to preserve the health care access of low-income Americans with HIV/AIDS and to maximize the beneficial cost savings that insurance coverage makes possible. Florida's AICP exists as both a health care safety net for individuals whose health suddenly fails due to HIV/AIDS, as well as an operational alternative for the Florida's Medicaid Program and AIDS Drug Assistance Program. By offering HIV/AIDS care and treatment services to the low-income underinsured living with HIV/AIDS, programs like AICP provide clear incentives for eligible individuals to retain their insurance coverage and remain in the private health care system. Moreover, Florida's AICP multi-year survey data continues to substantiate the belief that Florida's AICP empowers its clients to stay well, actively regain good health and maintain vital continuity of care with their health care provider.

Florida's Legislature and Department of Health have proven through the AICP that human compassion and cost-effectiveness are mutually attainable objectives. For thousands of Floridians and their families, who have had no choice but to confront the challenging realities of HIV/AIDS, the State's AICP and ADAP programs have been and continue to remain beacons of hope and health for those in the darkest despair of this brutal epidemic. It is therefore with gratitude that the AICP's administrative agent, the Health Council of South Florida, extends thanks to the State Legislature and the Department of Health, on behalf of the AICP's management staff, the hundreds of tirelessly dedicated HIV/AIDS case managers statewide, and the thousands of Floridians with HIV/AIDS who have benefited greatly from Florida's AICP.